CHAPTER 1

INTRODUCTION

The development as a process and as an activity is in existence since the inception of the state. The government works for the development of the people. The political parties fight elections and come to power on the basis of promises they make before and during the elections. After coming to power, the political party or parties (in case of coalition government) formulate plans, policies, programmes and schemes to fulfil promises made during elections. The government ushers socio-economic development encompassing a wide array of functions related to raising the standard of living, providing employment opportunities, removing poverty, reducing inequality of income, distribution of resources, providing social security and so on. The government implements development programmes in order to achieve development objectives and targets.

Since independence Indian planning has evolved in myriad ways and the approaches of development programmes has also changed. The Directive Principles of State Policy in Part IV of the Constitution of India (Articles from 36 to 50) present the ideals before the state that are implemented through programmes aimed at social and economic development. The Constitution of India provides more functions and powers to the centre as is clear from the distribution of the subjects in three lists i.e. the Union List (100 subjects), the State List (61 subjects), and the Concurrent List (52 subjects). The centre has more financial powers and resources. The states are financially weaker and generally depend on the central government for financial resources. The centre helps the states financially by providing resources. There are three ways in which the central government offer financial support to states and encourages the state governments to work for socio-economic development of the people. First, such way is through launch of Centrally Sponsored Schemes (CSSs) that are launched and funded directly by the centre. The states implement CSSs. The funding may vary from

---

1 Durga Das Basu, *Introduction to the Constitution of India*, (Nagpur: LexisNexis Butterworths Wadhwa, 2010): 329. Furthermore, the residual powers have been given to the centre.

programme to programme. This assistance is deliberately in areas that are the state subjects such as public health and elementary education. The centre provides funds to states to motivate them to take up programmes of socio-economic development of the people. However, the states consider it as an encroachment in their space by the centre. The CSSs affect finances of the state governments as they have to share financial burden of implementing them. The Additional Central Assistance (ACA) is second way in which the central government provides support for ushering development in the states. The Ministry of Finance funds ACA schemes or programmes which are executed by the concerned central ministry. Under ACA, the centre provides assistance to the states for their plan schemes. This assistance is meant for special programs as per requirements and priorities of the states. Third way through which the centre financially supports the states is operation of the central sector schemes which are commenced by the central ministries and implemented by the central agencies. The central sector schemes are 100% funded by the centre on subjects included in the Central List. For instance border management is one such subject for which the central government has been operating Border Area Development Programme.

The central government in India commences development programmes under CSSs and they are in existence since independence. In the new millennium, during the rule of Congress led United Progressive Alliance (UPA), the development programmes or CSSs have come to be named as flagship programmes (FPs). Both the centre and the state governments launch development programmes. However, the term ‘flagship programmes’ is predominantly used for development programmes of the central government. The FPs of the central government fall in CSSs category of the central assistance to states. The FPs aim at ensuring all round development of the people by providing employment opportunities, health services, education facilities, housing, infrastructure particularly roads, skill development, monetary assistance in case of old age, agriculture improvement, industrialization etc.

---

3 National Rural Health Mission (NRHM) started in 2006 as a flagship programme on the subject under the State List.
4 For example Integrated Rural Development Programme (IRDP) is centrally sponsored scheme which is funded on 50:50 basis by the Centre and the states.
6 Ibid.
Flagship Programmes

There are different views about the meaning and definitional aspects of FPs. According to Merriam-Webster\textsuperscript{7} dictionary, the meaning of flagship is something the finest, largest, or most important one of a series, network, or chain. The FPs derive their origin from the term flagship which is the main or most important ship of a country's navy. These days FPs are symbolic of the main thrust of the nation’s developmental policy. An Approach paper to Twelfth Five Year Plan defines the FPs as the programmes that aim “at building rural and urban infrastructure and providing basic services with the objective of increasing inclusiveness and reducing poverty.”\textsuperscript{8} Ahmad Masood, an advisor to Planning Commission of India defines FPs as “schemes which are fully funded directly by the central ministries/departments and implemented by states and or their agencies irrespective of their pattern of financing (unless they fall under centre's sphere of responsibility).”\textsuperscript{9} In India’s federal system of government, both the centre and the state governments have a defined role to play in achieving developmental goals. The FPs are launched to bridge development gaps, to raise standard of living and to ensure that the benefits of the economic growth reach to the poor and the weaker sections. The FPs supported by the specific policies meant for the inclusion of SCs, STs, minorities and women.\textsuperscript{10}

The FPs as CSSs are in operation in the country since independence. India at the time of its independence was facing diverse problems like poverty, unemployment, food shortage, backwardness, illiteracy, widespread diseases, lack of industry and heavy dependence on imports and underdevelopment. After independence, development through planning became the basis for ensuring economic growth and development in the country. The planned era began in 1950s with the launch of First Five Year Plan. The central government started CSSs to tackle problems faced by the country at that time especially in the area of rural development as more than 80 per cent of population

\begin{itemize}
\end{itemize}
lived in countryside. First CSS was Community Development Programme (CDP) started in 1952 for all-round development of the rural areas.\textsuperscript{11}

By early 1960s and late 1970s, it became clear that the ‘trickle down’\textsuperscript{12} strategy had not worked to alleviate poverty among the masses. The need was felt to change the approach of alleviating the poverty. The country faced two droughts during 1965-67 which caused food shortage in the country. To address the food shortage, in 1966-67 Agriculture Development Programme (ADP) was initiated to boost agriculture production which resulted in Green Revolution in the country and solved India’s food problem. The Green Revolution ushered a new era of development and prosperity in the country and it led to a change in whole gamut of development. As Kothari says “The 1965-67 food crisis in India resulted in this kind of a total shift in the country’s development outlook.”\textsuperscript{13}

In 1970s, there came a change in strategy when “there was thinking on the need for reconceptualization of the programmes and policies. The need for the direct attack on poverty was finally felt particularly during the Fourth Plan period.”\textsuperscript{14} The Indira Gandhi government started New Economic Programme (NEP) and Twenty Points Programme (TPP), Minimum Needs Programme (MNP) to attack the poverty directly in 1970s. “Since 1980s there has been proliferation of centrally-sponsored poverty-alleviating programmes in the country with higher allocations in the five year plans.”\textsuperscript{15} The main emphasis was laid on programmes aimed at providing employment opportunities to rural poor and ensuring integrated rural development. As a result Integrated Rural Development Programme (IRDP), National Rural Employment Programme (NREP) and Rural Landless Employment Guarantee Programme (RLEGP) were launched during that period.

\textsuperscript{12} The notion that higher economic growth will automatically bring benefits including jobs and other economic opportunities along with tackling problems of poverty, unemployment and income distribution.
\textsuperscript{15} Ibid.
The Flagship Programmes after 1990s

With the introduction of economic liberalization policies in the country in 1991, the role of safety nets in poverty alleviation was realized much more than before. Huge funds were allocated for wage employment programmes. Since the mid-1990s, there has been more emphasis on human development and physical infrastructure.\textsuperscript{16} Scores of new FPs were launched after ushering of economic reforms in 1991. During this period provision of employment opportunities to rural poor and development of the rural areas formed the backbone of FPs. In this direction, Employment Assurance Scheme (EAS), Pradhan Mantri Rozgar Yojna (PMRY), National Programme for Nutritional Support to Primary Education (NPNSPE), Indira Awaas Yojna (IAY) and National Social Assistance Programme (NSAP) were the FPs initiated during the 1990s.

The National Democratic Alliance (NDA) government took the reins of power in 1999 and it became first successful coalition government in Indian parliamentary history by completing it full term in office. The infrastructure building, elementary education and rural development remained the focus area of the NDA government. The NDA commenced FPs of National Highway Development Programme (NHDP) launched in 1998-99 for the development of national highways across the country, Golden Quadrilateral Project for connecting four metro cities of New Delhi, Kolkata, Mumbai and Chennai, Accelerated Power Development Programme (APDP) for increasing power generation, Pradhan Mantri Bharat Jodo Project (PMBJP) for connecting all state capitals with national highways and Pradhan Mantri Gram Sadak Yojana (PMGSY) for connecting all rural habitations with population of 1000 in plain areas and population of 500 in hilly areas with link roads. The NDA government started mission mode in elementary education by commencing Sarv Shiksha Abhiyan (SSA) for achieving universalisation of the primary education in the country. The National Institute for Smart Government\textsuperscript{17} defines the ‘mission mode projects’ as those time


Introduction

bound programmes which are conceived and initiated by the department of the government. In mission mode all important aspects like services, target beneficiaries, service levels, project implementation team, proposed project reengineering, project implementation and management plan with specific time lines are clearly defined and specified. The NDA government claimed to have worked for the development of all sections of the society. But it was criticised that only urban people mostly trading and business class and upper middle classes benefited from the growth story of the country while rural masses remained deprived.

The United Progressive Alliance (UPA) government came to power with the election slogan of “Congress ka Hath Aam Aadmi Ke Sath” in May 2004. “The UPA Government had taken special measures to reinforce its links with the common people or Aam Aadmi but for whose unstinted support it could not have hoped to achieve success at elections defeating the NDA.”18 The UPA government initiated right-based entitlement FPs like National Rural Employment Guarantee Act (NREGA) in 2005 for providing assured employment for minimum of 100 days in a year to rural poor. On October 2, 2009 NREGA was renamed as Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA). The right-based entitlement means that any eligible individual can demand work from village panchayat as a matter of right and government is legally bound to provide it. Thus, MGNREGA creates right-based framework and confers right to work on people.19 Adopting the mission mode approach of its predecessor, the UPA government started National Rural Health Mission (NRHM) in 2005 to improve health system in rural India and Jawahar Lal Nehru National Urban Renewal Mission (JNNURM) in 2006 to make provision for civic amenities in select 60 metro cities with population more than one million each. Reviving the integrated rural development approach of 1980s, the UPA launched Bharat Nirman Program (BNP) in 2005 with six components of comprehensive and integrated rural development through irrigation, drinking water, electrification, roads, housing, and rural telephone.

Decisions regarding FPs are taken keeping in view the manifesto and programmes of the political party in or constituent parties in coalition government. “In

the democratic political system decision maker has to take considerably in consideration the programme and priorities of the party he belongs to. So the real executive that is Prime Minister at the time of making decisions shall have to keep in view the ideology, programmes, and priorities of his party.\textsuperscript{20} FPs launched by the NDA and the UPA government were reflective of the promises made in manifestos of coalition partners and accepted Common Minimum Programme (CMP). The FPs have become one of the major instruments of social and economic development. The FPs have not achieved desired success in terms of achievement of financial and physical targets. Their ineffectiveness can be attributed to variety of reasons like corruption, non-achievement of targets and lethargic development administration. The study by the World Bank (WB) on India’s FPs reveals dismal picture of outcomes of FPs. The WB mentions that India spends over 2\% of its Gross Domestic Product (GDP) on various FPs in the area of social protection; yet, overall returns in terms of poverty reduction have not reached their potential, as the poor have not been able to reap full benefits of such large investments.\textsuperscript{21} It points out that while the states with higher poverty are allocated more funds from the central budget, they continue to have the lowest capacity to spend funds effectively. The report is mainly critical of government’s Public Distribution System (PDS), which consumes nearly 1\% of GDP while only 41\% of the grains released by the government are reaching the households with some states doing worse than this. In MGNREGA, there are enormous unspent balances with states governments which cause delays in the transfer of funds to gram panchayats. Fund utilization varies from state to state; there are intra-state variations with some districts of the states (such as Orissa and Karnataka) reportedly having spent excess of funds than available.\textsuperscript{22}

Regarding the success of FPs of development, the NDA government made extensive publicity and claims through print and electronic media. The UPA government also projected success of implementation of its FPs particularly those meant for rural areas. Both the NDA and the UPA governments faced criticism for involvement of corruption, lack of proper implementation, selection of ineligible


Introduction

beneficiaries and wastage of funds. Opposition political parties criticise the party or parties in power for development failure. There are always claims and counter claims about success and failure of government’s development programmes. However, the elections are ultimate yardstick of testing government’s performance and reflect opinion of the people for whom development functions are carried out.

The article in Centre Right India compares the policies and programmes of the NDA and the UPA regimes and finds that FPs of the NDA government for development such as Golden Quadrilateral Project and Antyodaya Anna Yojana were quite rational and better than FPs of the UPA government such as MGNREGA and Farm Loan Waiver which were nothing than the mindless doles. The Research Unit for Political Economy (RUPE) argues that the results of elections to state assemblies during the NDA and the UPA governments highlighted acute drawback in economic policies of the Bharati Janata Party (BJP) and the Congress party and their allies. The RUPE expressed that scenario in the following words:

Whether in states ruled by the BJP and its allies, or in those ruled by the Congress clearly reflected the widespread discontent and anger of the people with the economic policies being pursued by political parties of various hues. This anger cast its shadow over the various state governments that remained in office after their candidates for the Parliamentary election had been defeated, as well as over newly-elected state governments.

The debacle of the NDA government in General Elections of 2004 is reflective of performance of government on all fronts including the development programmes. SSA missed deadline of universalisation of elementary education. Similarly, PMGSY could not meet time-bound targets of connecting all unconnected habitations with

---


population of 1000 and above by 2003. Similarly, other programmes and schemes of the NDA government too failed to achieve expected results. The development programmes of the UPA government also performed not well. Because of fear of recession at global level, the UPA government increased spending manifold such as “a Rs 70,000 crore farm loan waiver, and huge spends on schemes like NREGA.” The editorial of Mainstream evaluating first three years of the UPA government and commented on the UPA government its claims as:

However, reports from across the States conclusively prove that both (MGNREGA and RTI) are not being utilised for the benefit of those they are intended to serve—the common people. This naked truth cannot be suppressed by any tub-thumping rhetoric…….The claim about the growth of infrastructure in the urban and rural areas is just a claim—it is all on paper, nothing concrete has materialised as yet. Even if one refrains from taking a harsh view of the Bharat Nirman project, there is no perceptible move till date to involve the people in it breaking the bureaucratic shackles.

Implementation of FPs is not same in all the states in the country as different states have different administrative and political problems and commitment which affect achievements of objectives and targets as also impact of the outcomes of FPs. At the grassroot level, following issues affect implementation and outcomes of the FPs:

The effectiveness…… in targeting the poor and alleviating poverty has been a mixed bag of success in some of the states and failure in other states. Variations in effectiveness are largely due to efficiency or otherwise of the implementing machinery, that is, delivery system, strengths of the PRIs, existence or non-existence of community based organisations of people, and initiative and innovativeness of the states in evolving approaches and institutional arrangements in harmony with the ground conditions.
Introduction

There are different claims of both the governments regarding the performance and success of FPs which are aimed at poverty removal, the programmes and success suffer from various shortcomings at different levels. There are multitude of programmes being operated within the single department or ministry or in separate departments under different ministries with common objectives. The major problems of socio-economic development programmes are:

The major weaknesses of the plethora of poverty alleviation programmes launched over the years have been the overlapping of schemes, thin spread of resources over a wide area, inadequate preparatory work before their launch, lack of proper coordination between the Central and State governments, inadequate funding by banks, paucity of trained staff at the ground level and poor governance and delivery resulting in widespread leakages and corruption.²⁹

In the backdrop of above issues, the study evaluates the performance of the NDA and the UPA governments through the study of implementation of three FPs. The programmes selected in the study are those that have been implemented by the both coalition governments. The FPs which form a part of the study are Indira Aawas Yojana (IAY), Sarv Shiksha Abhiyaan (SSA), and Pradhan Mantri Gram Sadak Yojana (PMGSY).

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Programme Name</th>
<th>Government that Started</th>
<th>Area of Operation</th>
<th>Year of launch</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>IAY</td>
<td>Congress</td>
<td>Rural Housing</td>
<td>1985</td>
</tr>
<tr>
<td>2.</td>
<td>SSA</td>
<td>NDA</td>
<td>Education</td>
<td>2001</td>
</tr>
<tr>
<td>3.</td>
<td>PMGSY</td>
<td>NDA</td>
<td>Rural Roads</td>
<td>2000</td>
</tr>
</tbody>
</table>

The reason for choosing IAY is to evaluate the performance of the NDA government in implementing the programme though it was started by past Congress government. Indira Awaas Yojana which was started in May 1985 as a sub-scheme of Rural Landless Employment Guarantee Programme (RLEGP) and was made

independent scheme in 1996. This programme aims at addressing the housing needs of the rural poor. The NDA government commenced Sarv Shiksha Abhiyaan in 2001 for universalisation of elementary education for children in the age group of 6-14 years. From 2010 onwards, SSA has been supported by Right to Education Act 2009 that confers legal right on children for elementary education. The NDA started the PMGSY in December 2000 for connecting every village of 1000 population with all-weathered roads. After coming to power, the UPA government continued with the implementation of IAY, SSA and PMGSY. The study also evaluates performance of the state governments in implementing selected FPs during the reign of the both central governments with the objective to see impact of change in central government on implementation of FPs in the politically different states.

REVIEW OF LITERATURE

The literature is available in the forms of books, research papers, articles and official reports of various government and non-government agencies on FPs and functioning of the coalition politics. However, these studies do not paint complete picture of flagship programmes on comparative basis with regard to functioning of two coalition governments i.e. the NDA and the UPA. The following is review of literature conducted for the research study in hand.

A. Vaidyanathan investigates the performance of economic reforms ushered in India and its impact on development process. He describes the planning process in India from retrospective and prospective view while also discussing various development models that have been used in India. He observes that for historical reasons even local development activities have been undertaken in a centralized fashion through schemes largely formulated and financed by the state governments and implemented through the state bureaucracy. He refers to poverty and development

---

policy that has been pursued in India. He suggests various measures to restructure anti-poverty programmes by tracing the political economy of evolution of these programmes as rising expectations and assertiveness of the people increases pressure on government and bureaucracy to perform.

Atul Kohli[^34] in his work focuses on growing crisis of governability of the country due to changing nature of politics in the era of two Prime Ministers i.e. Indira Gandhi and Rajiv Gandhi. He tries to explain roots of this rising crisis by way of his empirical study spread over five districts of five different states. He argues that the political structure was the main root-cause of the problem of governability. Failure of political leaders and fragmented political parties were to be blamed for increasing difficulty to rule the state. Personal rule has replaced party rule at all levels- national, state, and district. He discusses political violence by taking note of three states of West Bengal, Gujarat, and Bihar. He believes that in case of Bihar the situation of total breakdown of order was the result of corrosion of the authority vested in the social structure. The book also deals with the issue of managing the economy and political institutions while throwing light on political change taking place in the developing countries.

C.P. Bhambr[^35] describes the changed nature of Indian Politics in four years of new millennium with focus on political process of coalition government of the NDA. The book compares the type of politics being pursued by the Congress. The BJP viewed politics from the viewpoint of pulls and pressures in involved in politics of Foreign Policy and Groups. The study highlights the challenges and problems of coalition government and it investigates politics pursued by the NDA government while referring to American Hegemony, ineffectiveness of SAARC apart from mentioning the importance of NAM in the New World Order. The book explains the pre-election politics and post-elections politics and the role of Sangh Pariwar in influencing the decision-making and politics of BJP. The study understands verdict and mandate in favour of the UPA government as wipe out of Left Parties from the gambling position to insignificant entity.

**Introduction**

D. Bandyopadhyay\(^{36}\) deals with social development in India since independence from the perspective of the Constitutional provisions enshrined for creation of egalitarian, just and fair society in the country whose foundations were laid by the founding fathers of our constitution. He starts with the Preamble to the Constitution, which projected the vision of social development in India and then explains that how Fundamental Rights in Part-III, Directive Principles in Part-IV and Fundamental Duties in Part-IVA were instrumentalities to achieve this vision. He explains various Articles of the Constitution and their importance for social development of the people as a whole and he cites Supreme Court judgments that have rendered fundamental right contained in Article 21 a repository of various human rights. He gives references of Articles 38 and 39, which spelt out the basic structure of a just and fair social and economic order. He provides various facts and examples about social development in India in the areas of health, education, employment creation and implementation of various legislative measures for delivering social, economic and political justice to people of the country. He holds the view that it was no longer the agenda only of the social reformers but it was the duty of the government and all its citizens under Article 51A to promote, advance, and support the process of harmonious and egalitarian social development.

**Dalal-Clayton, David Dent and Dubois Olivier**\(^{37}\) discusses how concepts of the terms rural and rural planning vary in different countries, causing confusion between planners, policy makers and those who have to implement plans and policies. They reviews experience of experimentation in regional planning since the 1970s that includes physical planning approaches, intensive developing zones and integrated rural development programmes (IRDPs). They argue that decentralization is now seen as a key to rural development but the underlying principles are weakly understood and effective institutions are still to be built. They examine the need for and benefits of stakeholder participation in rural planning. ‘Top-down’ and ‘Bottom-up’ approaches are contrasted. Horizontal Participation and Vertical Participation has been distinguished and they find that participatory planning is now promoted as an alternative to top-down

\(^{36}\) D. Bandyopadhyay, “The Constitution and Social Development,” *Social Change* 37, No. 3 (September 2007).

Introduction

planning. The authors suggest that there is paramount need for rural planning to operate under a truly domestically driven development vision—not tied to party, ethnic or religious groups; and for coordinated strategies for working toward this vision. They argue that for successful implementation of development depends upon common ownership of the problems and the proposed solutions by the people who would be affected. This ownership may arise from a consensus about the goals and the necessary actions or from a negotiated compromise between groups with different goals and insights. They hold the view that for sustainable development, there must be some forum that commands general respect and legitimacy where all stakeholders can negotiate and contribute to plans. The authors suggest that appropriate platforms for decision-making are needed at each level of planning i.e. local, district and national.

Hari Mohan Mathur\textsuperscript{38} highlights the process of development in the Third World Countries from the perspective of constraints that these countries faced and choices they exercised in administering development in their countries. He puts forward the case of people-centred development because previous Central Government agencies decided on projects which in their view are best suited for people living in far-off villages, so, such development efforts failed to provide enthusiasm to the poor, and also extended the intended benefits to them. While discussing bureaucracy and reduction of poverty, he suggests improving the administrative capacity to implement programmes that needed to be followed with single-minded determination and the administration had to be fully geared to achieve the set targets. The study also refers to rural development in traditional societies and administering agriculture development.

Iqbal Narain\textsuperscript{39} defines the political dimensions of development and shows how political questions dominated other considerations while making decisions for the country and its development. To him political dimensions were the political questions that are raised in developing countries by different quarters regarding development. He refers to adoption of Russian Model of Planning by Nehru and programme of Liberalization started by Prime Minister P.V. Narasimha. He discusses importance of


Introduction

politics and says that development has generally three variables i.e. political, social and economic. These three variables co-exists, interacts and they have to remain in constant communion with each other, however, political variable dominate other two variables and its sources includes the Preamble to the Constitution and various Supreme Court judgments. He deals with development administration and its various pitfalls while discussing democracy, federalism vis-à-vis development. He also traces the shift from decentralized planning to democratic planning and observes that politics should be positive, democratic and participative in character.

Krishna Raj\(^{40}\) looks into the issue of decentralization from the point of view of development planning in India and its importance for rural development in consolidation of grass root democracy and governance. He compares top-down process of India with bottom-up process of China and observes that while process of rural development in China had been dependent largely on idle human resources whereas in case of India it had relied on financial resources. He points out two main forms of decentralization that had emerged in India since 1970s. Firstly, Centrally-Sponsored Schemes (CSSs), which were central in inspiration and conception but were implemented by the state governments through their administrative machinery, Secondly, centralization within centralization which had been there due to the vertical lines of control of the state and horizontal coordination at the local level. He mentions two types of conflicts-Centre-State conflict and conflict between political leaders at the state level with political leaders at local level due to patron-client relationship that had come to light from late 1970s and early 1980s. He suggests that CSSs should be looked with utmost care and critical sense and there is need to introduce much greater flexibility into them while also putting an end to the practice of multiplying such schemes due to change of ministers who tends to their narrow interests.

Madan Lal Sharma\(^{41}\) highlights the performance of the UPA government since it took control of central government in May 2004. He examines claims of the UPA government regarding its achievement on various fronts like agriculture, education, and


\(^{41}\) Madan Lal Sharma, “Four Years of UPA?,” Third Concept, (June 2008).
development of special regions like Northeast, J&K, and other backward regions throughout the country. The steps taken to tackle inflation through fiscal and monetary initiatives as also administrative measures to discourage hoarding have been also mentioned. According to author, presentation of Annual Report Card to people by the UPA government was a novel practice in the history of governance. Besides, this paper also refers to 11th Five Year Plan and what were the priorities of the UPA government in future planned development of the country. He argues that the tall claims of the UPA government about India’s rising global standing can be attributed to collective actions of the people of the country. The BJP had ridiculed the performance of the UPA Government on completion of its four years in office. MGNREGA, Right to Information, The Domestic Violence Act and Rs. 60000 crore loan-waiver schemes for farmers were among the achievements of the UPA government, however, like its predecessor policies pursued by the UPA had helped only those who are rolling in opulence.

**Mahendra Dev**\(^{42}\) talks about the change in approach in 1970s when there was thinking on the need to reconceptualise the development programmes and policies. The need for the direct attack on poverty was finally felt particularly during the Fourth Plan period. He analyses issues and concerns of inclusiveness in the areas of agriculture, poverty and human development. He observes that many new programmes were tried in rural areas for farmers and poor agriculture workers for their development. The Indira Gandhi government started New Economic Programme (NEP) and Twenty Points Programme (TPP) in 1975, Minimum Needs Programme (MNP). Since 1980s, there had been proliferation of centrally sponsored poverty-alleviating programmes in the country with higher allocations in the Five-Year Plans.

**Mihir Shah**\(^{43}\) provides extensive information about the MGNREGA in detail. He argues that the best way of undertaking the necessary public investment is by enshrining it as a Constitutional right. He maintains that employment programme has to be seen as a national imperative and as an inalienable right to be exercised by the people

---


as and when they require to. MGNREGA was an attempt in this direction. It was an act with a potential socio-political significance for the rural poor that had been matched only by the 73rd Amendment. He highlights demerits of MGNREGA, such as the right to seek work had been restricted to households, rather than opening it up to each individual in need, especially in view of the intra-household gender discrimination, the restriction to only 100 days also did not make sense as the right to work was to be exercised by people in need. In addition, these needs would vary depending on the vagaries of nature. He specifies some of the remarkable provisions of the Act such as Wages were to be paid every week. In case of any delay, labourers would be entitled to compensation as per the Payment of Wages Act. It is also provided that under no circumstances there should not be any discrimination with women in the provision of employment or the payment of wages. He also points out that these all provisions were being so commonly violated in many parts of rural India that their significance could be sufficiently underscored.

O.P. Minocha\textsuperscript{44} analyses capacity building for development with the case study of Pradhan Mantri Gram Sadak Yojna. He points out that capacity of the administrative system to make appropriate decisions and to mobilize the human and financial resources necessary to implement programmes would have a profound impact on country’s economic development and social change. He identifies important areas and issues of governance and capacity building, which the most pressing challenges currently being confronted by countries. He argues that development strategies required integration of social dimension, economic opportunities and good governance.

Pranab Bardhan\textsuperscript{45} studies the political economy of India from different perspectives such as poverty, government schemes, and rise of regional elites in Indian Politics and pressure and interest groups. His argument is that there has been progress over the years in the provision of public consumption and welfare measures for the poor in the form of health and sanitation, drinking water, nutrition, housing, education, transport, roads, communication and electricity. However, the facilities created remain

\textsuperscript{44} O.P. Minocha, “Capacity Building for Development”, \textit{Indian Journal of Public Administration} LII, No. 3 (July-September 2006).

\textsuperscript{45} Pranab Bardhan, \textit{The Political Economy of Development in India}, (New Delhi: Oxford University Press, 1994).
woefully meagre in proportion to the total basic needs. He highlights the two types of leakages of funds and benefits i.e. partly from delivery ‘pipeline’ itself and partly from at the end of ‘pipeline’. He analyses the relationship between high economic growth in states and percentage of poverty reduction in India from the point of view of ‘Trickle Down theory’ citing examples of Punjab, Haryana and Gujarat.

**Prem Shankar Jha** describes the various factors that appeared on political scene of India after the end of one-party rule at the centre and emergence of coalition governments. He observes that this phenomenon made the Indian state ungovernable and it was threatening the unity of the nation. He cites many illustrative examples where during the rule of the NDA regime, regional parties and coalition partners affected decision-making process at the centre, which affected all the states particularly from fiscal point of view. He links the collapse of single party governance and delinking of the central and state elections with compulsion of stability and development. He had argued that the both above compulsions are pulling policy in opposite directions and stability is winning out which is illusionary. He describes the classic behaviour of the predator state and said that here everyone gains from government to farmers to corrupt employees but only the consumers lose and the poorest among them die. He explains by citing how 30% power is stolen in our country and another 30% power is sold to farmers at a tenth of its cost. He maintains that kickbacks have become order of the day without which not even essential services or facilities can be availed in the country. He provides an answer to this problem in the form of reuniting the central and the state elections for which there is need of Constitutional Amendment that will also tackle the problem of defections, which actually threatened the stability of any government at the central level.

**Rajni Kothari** presents conceptual framework of ‘Alternative Development’ in his book, which joins global debate on development. He had covered the very important issues of environment, and communications for Alternative development.

---


Introduction

He analyses development from the perspective of political economy and management. He records development problems and various approaches, strategies, models and theories of development being in use at international level but more particularly in Third World Countries. He also includes his recent work on ethnicity in this book while also probing the issue of freedom linking it with development in Asian countries. He argues that the idea of development like democracy has sunk deep into people’s minds and the process of development has produced a growing divide between the elites and the people thus leading to debate at what should constitute the agenda of development.

S.P. Gupta makes detailed study of planning and development in India and discussed plan strategies, techniques and performances and traces development of India’s two important sectors i.e. agriculture and industry. He analyses plan successes and failures covering all the different development issues in a macro framework mainly to draw lessons from experiences as a guide for future policies and programmes. He observes that the basic goals of Five Year Plans have remained unchanged since their inception despite many changes in the socio-economic and political conditions within and outside the country. Nevertheless, the plans’ strategies and priorities changed continuously. The study identifies three different phases of poverty alleviation strategy since independence and two sharp alternative approaches of poverty alleviation programmes. He looks into Five Years Plans’ performance on interregional basis and finds that against the high priority given to balanced regional development, in reality, over the plan different plan periods, the per capita inter-regional income disparities have increased significantly. It has happened despite the fact that all the transfer of the resources from the centre had gone more and more in favour of the poorer the states. He highlights that agriculture performed very well but it has led to increase in interpersonal and inter-regional disparities.

Subhash Kansal examines the Panchayati Raj through the 73rd Constitutional Amendment and its various provisions. According to him, Panchayats had been the

---

Introduction

backbone of Indian villages since the inception of recorded history. He analyses Indira Awaas Yojana and provides data on expenditure and number of houses built since the scheme was started in 1985. There is clear relation between poverty and housing condition as owning the house provides economic security and dignity in society. He looks into the issues of reservation in panchayats and its usefulness.

Sukhamay Chakravarty\(^50\) discusses the process of development planning in India from its foundations, which were laid by Nehru Mahalanobis Approach. He dealt with development strategy followed first Five Year Plans. He describes characteristics and consequences of New Agriculture Policy that advocated shift from Land Reforms to technological modernization of agriculture. He identifies problems of Plan implementation in the form of inefficiency of planning authorities in collecting relevant information, responding with time lags and little or no capacity and motivation of Plan implementation agencies. He refers to criticism by the states of planning system firstly, that they are badly funded in relation to their needs and secondly, that their authority is subordinate when it comes to implementation of Centrally-Sponsored Schemes and it has led to distortion as well as inefficiencies in plan execution. He throws light on success of India’s Development Plans apart from taking note of problems and prospects of poverty alleviation. He argues that though anti-poverty programmes of putting money in the hand of needy may fulfil their dire necessities for a while, however, such programmes do not improve the capability to earn more on a steady basis. Therefore, there is pressing need to invest in both material and human capital formation.

U.C. Aggarwal\(^51\) in his study throws light on public services in India. He measures achievements in working for the poor and at the same time also taking notice of disappointments wherever they have failed to deliver as desired. He observes that the performance and achievements of the public servants in the home front during first three decades of independence can be rated to be very high as most of the major projects are executed generally within the laid down periods and in cost-effective

---


manner showing efficiency and sense of economy by the public services. He argues that the story of decline began form 1970s due to various causes arising out of declining political and administrative norms and values. Many of ills, faults and shortcomings got aggravated during the last three decades more particularly from 1990s. However, in implementing various programmes and projects they could show initiative, drive and dynamism, as there was no undue fear of bona fide mistakes.

World Bank Report\textsuperscript{52} investigates the performance of India’s social protection programmes and makes policy recommendations for improving them. The World Bank studies the poverty, inequality and vulnerability in India, which forced government to start social protection schemes for the poor like PDS, AAY, Old Age pensions, housing for BPL families and programmes that were meant for Unorganised Workers. The also analyses recent initiatives taken in the area of social protection like MGNREGS, public works programmes and anti-poverty schemes from the point of view of their reach, finances and administration while also making recommendations for their improvement for more and better target mechanisms. It recommends measures for better implementation of such programmes through alternative targeting methods. Describing major Social Protection programmes launched until 2009, the report provides extensive data on allocations, leakages and all-India performance of Social Protection programmes. It argues that though India spent close to 2%of GDP on Social Protection programmes yet benefits were not reaching the targeted beneficiaries.

So, in the light of above review of literature, it becomes imperative to study FPs from the perspective of measuring the performance of the central governments of the NDA and the UPA; and of the state governments in implementation of FPs during their respective terms. The study spans over the period of nearly a decade and it covers period of the both central governments headed by two the biggest and the oldest political parties of the country. With this objective in mind, the research work answers the following research questions.

**Introduction**

**RESEARCH QUESTIONS**

The research work makes comprehensive study of FPs launched and implemented during the tenures of the NDA and UPA governments. The study provides the answers to the following research questions.

1. The NDA and the UPA governments have different development agenda which influenced their spending priorities. Both the governments allocated funds for different areas of the social sectors. What were the trends of expenditure for social sector in general and for CSSs in particular during terms of the NDA and the UPA governments?

2. The NDA government implemented FPs commenced by the previous governments and the UPA too continued execution of FPs initiated by the NDA during its term in office. How change of government affected availability of funds under IAY, SSA and PMGSY? Which government implemented IAY, SSA and PMGSY more efficiently during its the tenure in terms of achievement of physical targets?

3. The political parties ruling at the centre and the states changed during rule of the NDA and the UPA governments. Did states ruled by the BJP and its alliance partners performed better in implementing IAY, SSA and PMGSY as compared to states ruled by the Congress and Left parties? Similarly, Did states ruled by Congress and its alliance partners performed better in implementing IAY, SSA and PMGSY as compared to the states ruled by the BJP and Left parties?

4. The central government designs and commences CSSs including FPs which are implemented by the states at district and grassroots level. In some states, ruling party is same as in centre or alliance partner of the central coalition government. The differences are bound to occur between the centre and the states. What are the concerns and complaints of the states regarding implementation of FPs and what measures the centre has taken to address them?

5. The governments implement numerous development programmes for different sections of the population with the twin objectives i.e. to address development
demands of people and to influence voting behaviour so that beneficiaries of
development can vote for the incumbent government. Do benefits from
development programme affect voting behaviour of the beneficiaries? How did
people perceive development and development programmes of the NDA and the
UPA governments?

6. The development strategies and approaches differ country wise and as also
region wise. There are different views of the people regarding priority of the
government between improving overall economy and focusing on special
schemes and programmes. How Indian development model of the central
intervention through CSSs and FPs s different than other developing countries?
What is perception of Indian people that whether government should launch
special development schemes and programmes for the poor and disadvantaged
or it should keep focus on improving overall economy?

CHAPTERS SCHEME

The answers to above raised research questions have been answered through
following chapters of the study:

Chapter 1: Introduction

The introductory chapter includes the statement of the research problem, review
of the literature, objectives of the study, research questions, research methodology, and
significance of the study.

Chapter 2: Conceptual and Theoretical Framework of Flagship Programmes

This chapter discusses the conceptual framework of development, development
planning and flagship development programmes. It throws light on main approaches of
development that have been used in India during rule of the NDA and the UPA
governments for launching FPs. The chapter briefly compares Indian FPs with the Latin
American development programmes.

Chapter 3: Evolution and Implementation of IAY, SSA and PMGSY

The chapter deals with the description and evolution of three selected FPs. It
explains the salient features and provisions of FPs. The chapter discusses the
implementation process of the IAY, SSA and PMGSY and role of the state and district agencies in this regard. The chapter also throws light on fund sharing mechanism of FPs.

Chapter 4: Performance and Evaluation of the Flagship Programmes

The chapter analyses annual financial allocations made by the NDA and the UPA governments for IAY, SSA and PMGSY. It also deals with the physical achievements of three selected FPs at national level. The chapter discusses implementation of the FPs by four selected states of Andhra Pradesh, Gujarat, Maharashtra and West Bengal during the time period of the both governments. The chapter evaluates impact of the change in the central government on the performance of the states in the implementation of FPs.

Chapter 5: Federal Dynamics of Flagship Programmes

The chapter highlights trends in development expenditure including expenditure on social and economic services during tenures of the NDA and the UPA governments. It also throws light on trend in transfer of the central financial resources to states under CSSs during the time of both coalitions. The chapter figures out issues, concerns, complaints and challenges of implementation of FPs faced by the centre and states governments. It traces measures that the central government has been taking since independence to address the concerns and complaints of the states regarding FPs.

Chapter 6: Conclusion

This chapter deals with the findings of the study related to performance of FPs at the national and in the states during NDA and UPA regimes. The chapter includes the policy implications of the study and recommendations to improve governance of FPs.

RESEARCH METHODOLOGY

Using secondary data, analysis has been made about the performance and effectiveness of FPs on all India bases during the NDA and the UPA governments. Indira Awaas Yojana (IAY), Sarva Shiksha Abhiyaan (SSA), and Pradhan Mantri Gram Sadak Yojana (PMGSY) are FPs that has been taken up for analysis of performance of the NDA and the UPA governments. The comparison of FPs implemented by both the
Introduction

governments during their terms has been drawn at two levels i.e. at the national and the state level. At national level, both financial and physical achievement of the selected FPs has been used. At the state level, the comparison has been drawn between BJP-rulled and non-BJP ruled states regarding the implementation of FPs during terms of the NDA time. Similarly, during the UPA’s time, the attempt has been made to investigate differences in performance of Congress-rulled and non-Congress-rulled states for implementing FPs. There are mainly two objectives to check comparison of FPs of governments at the state level. First objective to observe whether change in central government affect performance of the states in the implementation of FPs. Second objective is to compare performance of the politically different state governments in implementing FPs of the central government. While selecting the states for study, the criterion of concurrent terms in office has been adopted. It means only those states has been selected where state governments’ term in office ran parallel to tenures of the NDA and the UPA governments i.e. 1999 to 2009. While selecting states, it has been ensured to take atleast one state each ruled by the BJP, Congress, and Left party. Therefore following this criteria, Andhra Pradesh, Gujarat, Maharashtra and West Bengal have been chosen for analysis of both coalition governments through FPs. The study brings to light the impact of central government’s FPs on centre-state relations in the country by analyzing issues and concerns on part of the states on one hand and the centre on other hand. The study uses data of the National Election Study (NES) collected by the Centre For the Study of Developing Societies (CSDS)-Lokniti through Post-poll survey conducted in 1999, 2004 and 2009. The study uses NES data for answering questions regarding perception of the people regarding development happened during the NDA and the UPA and opinion of the people regarding development schemes and economy. The study involves the use of crosstabs and chi-square techniques of Statistical Package for Social Sciences (SPSS) and some statistical techniques of MS excel for testing relationship between variables and comparing trends and growths. The secondary sources used include books, research articles, and reports of various agencies like planning commission, ministries and departments of government of India and non-government bodies like Centre for Development Finance
on FPs. Apart from above sources reports of international institutions such as World Bank and UNDP has also been a part of secondary sources in research work.

The methodology used in the study had certain limitations. The study is based on performance of two central governments and therefore it covers period of nearly decade from 1998-2009 when the NDA and the UPA governments were in power. Out of large number of FPs implemented by both governments, the study takes up three FPs for evaluation. There is limitation regarding availability of data of FPs such as in case of PMSGY, the data for 2002-03 was missing and therefore, the data for that year was generated through interpolation using method of Binomial Expansion. For IAY, the data of complete terms of the NDA and the UPA governments has been used in the study as it is being implemented since 1985. But for SSA and PMGSY, data for only four years of the NDA government was available as both FPs were started in 2000 and therefore, the data of four years of both FPs belonging to the UPA government has been used in the study to maintain parity.

RELEVANCE OF THE STUDY

The significance of the study stems from the ongoing debate in academic and non-academic circles about the need, effectiveness, success and performance of FPs. The role or contribution of FPs is questioned in achieving goals of poverty reduction, raising standard of living and removing inequalities and disparities in areas of education, health, infrastructure and rural development. It is also a matter of ever-continued discussion and debate that what kind of change has come to be observed in the nature, design, planning and execution of FPs after ushering of economic reforms in India. In the history of India, two biggest and successful coalitions completed their full terms in office. The study throws light on the impact of FPs on the centre-state relations as the states face financial burden of implementing FPs. It highlights new changes that have come to be seen in the politics of FPs during time span of the NDA and the UPA regimes. The research adds to understanding about above raised issues and questions. It contributes to existing knowledge on FPs executed by the both coalition governments.
REFERENCES


Introduction


